

## Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
DODE-00 DOE-15 H-01 INR-10 INT-05 L-03 NSAE-00  
NSC-05 OMB-01 PM-05 ICA-11 OES-07 SP-02 SS-15  
STR-07 TRSE-00 ACDA-12 /126 W  
-----124047 211015Z /13

R 201208Z APR 78  
FM AMEMBASSY NEW DELHI  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 1071  
AMCONSUL BOMBAY POUCH  
AMCONSUL CALCUTTA  
AMCONSUL MADRAS POUCH

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DEPARTMENT PLEASE PASS TO USGS, USBURMINES, DOE

E.O. 11652: N/A  
TAGS: ENRG, BTIO, EQUIP, IN  
SUBJECT: OIL INDIA LTD. (OIL) - DEVELOPMENTS & SPECIAL TRADE  
OPPORTUNITIES

1. COMPLETE GOI TAKEOVER OF OIL INDIA LIMITED (OIL) (50 PERCENT  
GOI - 50 PERCENT BURMAH OIL OF UK) EXPECTED TO OCCUR IN 1977,  
IS STILL IN THE NEGOTIATING STAGES. OIL'S CHAIRMAN & MANAGING  
DIRECTOR, C.R. JAGANNATHAN, RECENTLY INFORMED RESOURCES ATTACHE  
THAT ONE OF THE REMAINING UNRESOLVED ISSUES WAS THE QUESTION OF  
COMPENSATION FOR THE RECOVERABLE CRUDE RESERVES IN ASSAM, ESTIMATED  
AT 35 MILLION METRIC TONS (MT). HE SAID SECONDARY RECOVERY  
OF ANOTHER SEVEN MILLION MT OF CRUDE WAS ALSO POSSIBLE BUT THIS  
HAD NOT BEEN MENTIONED IN THE DISCUSSIONS SO FAR. NEVER-  
THELESS, JAGANNATHAN WAS HOPEFUL ABOUT GOI TAKE OVER OF THE  
BURMAH OIL'S HALF INTERESTS IN OIL THIS YEAR.

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2. IN THE MEANTIME, OIL HAS SIGNED RS. SIX MILLION (DOLS 706,000)  
CONTRACT WITH DELTA SEISMIC (HOUSTON) TO CARRY OUT 3,000 LINE  
KMS. OF SEISMIC WORK PLUS DETAILING OF AN ADDITIONAL 1,500  
LINE KMS IN A 12,000 SQ. KM. OFFSHORE AREA OF THE MAHANADI  
BASIN. WORK IS TO BE COMPLETED BY MAY. SUBJECT TO THE PROCESSING  
AND EVALUATION OF THE SEISMIC DATA, OIL HOPES TO SPUD ITS FIRST  
OFFSHORE WELL IN EARLY 1979. SCARCITY OF COMPUTER FACILITIES TO

PROCESS SEISMIC DATA IN INDIA APPEARS TO BE BOTTLENECK TO DRILLING AT AN EARLIER DATE. HOWEVER, OIL IS NOW NEGOTIATING WITH FIVE US AND THREE OTHER FOREIGN FIRMS FOR A COMPUTER PACKAGE (HARDWARE AND SOFTWARE) TO PROCESS ITS DATA IN-HOUSE SINCE GOI RELUCTANT TO HAVE SEISMIC DATA LEAVE THE COUNTRY.

3. JAGANNATHAN INDICATED THAT A GLOBAL TENDER WOULD SOON BE FLOATED FOR AN OFFSHORE DRILLING CONTRACT. HE PLANNED TO DISCUSS THIS MATTER WITH SEVERAL US FIRMS DURING FORTHCOMING OTC CONFERENCE IN HOUSTON.

4. OIL HAS ALSO BEEN GRANTED A LETTER OF INTENT TO SET UP AN LPG PLANT AT DULIAJAN IN ASSAM TO PROCESS 80 MMCFD OF GAS TO RECOVER 50,000 MT OF LPG PER ANNUM. IN THIS REGARD HE THOUGHT GLOBAL TENDERS WOULD BE ISSUED IN 2 TO 3 MONTHS.

5. OIL MAY ALSO PURCHASE ANOTHER WORKOVER RIG AT LATER DATE BRINGING THEIR TOTAL OF SUCH RIGS TO FIVE. IN PAST SKYTOPS (HOUSTON) HAD SUPPLIED THREE WORKOVER RIGS AND FRED E. COOPER (TULSA) ONE. SKYTOPS HAS SIGNED A LICENSING AGREEMENT WITH BHEL (BHARAT HEAVY ELECTRICALS LIMITED) FOR CONSTRUCTION OF RIG MASTS. OIL HAS ORDERED ONE DRILLING RIG FROM BHEL FOR DELIVERY IN 1980. OIL INDIA HAS FOUR OPERATING DRILLING RIGS AT PRESENT.

6. DURING 1977 OIL'S CRUDE PRODUCTION REACHED 3.12 MILLION MT FROM 263 PRODUCING OIL WELLS. THE TARGET FOR 1978 IS AROUND 3.0 LIMITED OFFICIAL USE

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MILLION MT. BY YEAR END 1977, OIL HAD DRILLED A TOTAL OF 388 WELLS OF WHICH 37 WERE DRY; 27 WERE INJECTION WELLS; 40 WERE STILL UNDERGOING TESTING (NON-PRODUCING); 26 WERE GAS; AND 263 OIL. THE DRILLING TARGET FOR 1978 IS 232,000 FEET. GAS PRODUCTION IS RUNNING AT 125 MMCFD WITH ABOUT 40 MMCFD BEING FLARED.

7. OIL INDIA'S PLAN OUTLAY FOR 1978-79 IS RS. 347 MILLION (DOLS 41 MILLION) OF WHICH RS. 274 MILLION (DOLS 32 MILLION) IS FOR CAPITAL EQUIPMENT AND FACILITIES. THE DRAFT FIVE YEAR PLAN 1978-83 CALLS FOR AN ALLOCATION OF RS. 1.33 BILLION (DOLS 156 MILLION) FOR EXPLORATION AND EQUIPMENT.

8. ACTION REQUESTED: THAT USDOC INFORMS OFFSHORE TECHNOLOGY CONFERENCE OFFICIALS OF PLANNED VISIT OF C.R JAGANNATHAN, AND P NYXJY TWO OTHER OIL OFFICIALS AND PROVIDE ANY ASSISTANCE NECESSARY. JAGANNATHAN HAS ALSO REQUESTED CAPITAL COST ESTIMATES REQUIRED FOR 50 MMCFD LNG PLANT. WOULD APPRECIATE US BURMINES PROVIDING EMBASSY WITH THIS INFORMATION IF AVAILABLE.

9. DECLASSIFY UPON RECEIPT

GOHEEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** OFFSHORE DRILLING, SEISMIC PROSPECTING, BAY OF BENGAL  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978NEWDE06232  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Message ID:** 7e6179aa-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 3  
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**Review Release Event:** n/a  
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**SAS ID:** 2903184  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OIL INDIA LTD. (OIL) - DEVELOPMENTS & SPECIAL TRADE OPPORTUNITIES  
**TAGS:** ENRG, BTIO, EQIP, IN, US, UK, GE, OIL  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014